



# *NEWS RELEASE*

## **PRESS OFFICE**

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## ***SBA OFFERS TIPS TO HELP BUSINESSES AND HOMEOWNERS PREPARE FOR HURRICANE SEASON***

**WASHINGTON** – With the six-month hurricane season in North America beginning June 1, the U.S. Small Business Administration is urging homeowners and businesses to plan and prepare for the worst case scenario by taking steps in advance to minimize the damage caused by these major storms.

The survival of a community can depend on the ability of businesses and homeowners to minimize the risks—wind damage and flooding—that accompany hurricanes.

SBA, the nation's disaster recovery lender, provided more than 18,000 low-interest loans worth more than \$771 million in the aftermath of Hurricane Floyd in 1999. The loans went to homeowners, renters and business owners in 10 states, with most of the destruction caused by inland flooding that followed the storm.

"Without a doubt, the damage and destruction may have been lessened if more people had prepared for the storm," said John Whitmore, SBA's Acting Administrator. "Taking steps before a hurricane strikes will help people respond quicker to the disaster, and recover sooner."

Here are some hurricane preparedness tips that can be applied to homes and businesses:

- **Have a disaster plan in place.** Find escape routes from the home or business and establish places to meet. Have on hand emergency phone numbers; business owners should designate a contact person who will communicate with other employees, customers, and suppliers. Families should ask an out-of-state relative or friend to serve as the "family contact."
- **Insurance.** According to the National Flood Insurance Program, only 25 to 50 percent of U.S. homeowners in flood-prone areas have flood insurance. Flood damage is not usually covered by homeowners insurance. Business owners and individuals should review their insurance policies before the storm hits. Business interruption insurance—which replaces income lost during downtime caused by a covered peril—should be considered.

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- **Disaster survival kit.** It should include a flashlight and extra batteries, portable, battery-operated radio and extra batteries, a first aid kit, non-perishable packaged and canned food, water (enough

to last a week), manual can opener, sturdy shoes, a basic tool kit, waterproof plastic bags, and cash.

- **Important business records** should be stored at an off-site location at least 50 miles away. Computer data should be backed up, saved on diskettes and stored offsite.
- **Windows.** Install storm shutters over all exposed windows and other glass surfaces in the home or business. Plywood shutters—1/2-inch marine plywood is best—can also offer protection from flying debris.

The SBA makes low-interest disaster loans to homeowners, renters and non-farm businesses of all sizes. Homeowners may borrow up to \$200,000 to repair or replace damaged real estate. Individuals may borrow up to \$40,000 to cover losses to personal property.

Non-farm businesses and non-profit organizations of any size may apply for up to \$1.5 million to repair or replace business assets. Small businesses that suffered economic losses may apply for a working capital loan of up to \$1.5 million, even if the property was not physically damaged.

During fiscal year 2000, SBA made over \$1 billion in disaster loans to more than 28,000 homeowners, renters and businesses of all sizes.

To find out more about SBA's disaster assistance program and additional disaster preparedness tips, visit the web site at [www.sba.gov/disaster](http://www.sba.gov/disaster)

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